

# Unemployment in Galician Autonomous Community (Spain)

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## Abstract

An aspect of unquestionable transcendence in the current society is the impact of the unemployment. Most of the countries of the European Union present as from the decade of the seventies very worrying unemployment rates. The persistence of this situation in the labor market constitutes the main concern of the citizens and governments. However, the problem of the unemployment is much more serious in the case of Spain, and the Galician Autonomous Community (GAC) it is not an exception.

The society considers the unemployment as the great plague of the modern times, not only for the serious effects that it causes at individual and family level, of lost of labor revenues, and as a significant factor of the income distribution, but also at social level for the repercussions in the economic growth, the regional development and the economic inequalities.

The magnitude and the complexity of the unemployment cannot be analyzed from a cause alone, neither only from an economic focus that, without doubt, would be partial. The unemployment is a complex process affected by many variables and which exceeds the narrow frame of the labour market, and that definitively has to see with the localization, the demography, the acquired education and the possibility of economic growth.

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## 1.- Introduction

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The objective of this investigation is to improve the knowledge of the active population of the GAC going farther into the situation of the unemployed with previous work experience.

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The magnitude and the complexity of the unemployment cannot be analyzed from a cause alone, neither only from an economic focus that ,without doubt, would be partial. The unemployment is a complex process affected by many variables and which exceeds the narrow frame of the labor market, and that definitively has to see with the localization, the demography, the acquired education and the possibility of economic growth.

Although among the theoretical of the economy it does not exist a general assent on the causes for the unemployment, the abundant existent literature has referred, in a more or less systematic way, to a conjunct of causal factors acting in an interrelated way and which can be synthesized in: a) technological changes; b) salary inequalities; c) inadequacy of the demand

With regard to the technological changes, the unemployment situation is linked to an inadequacy of the work demand associated with the stock of existing productive capital, susceptible of being used profitably. In the case of the real wages, these they have not adjusted to the descents of the productivity caused by the crisis of the petroleum. The disadjustment in the wages leads to an income distribution of the production factors which implies a low level of the capital profitability, and as a consequence, to a rationing in the productive capacity. When this happens there is a restriction in the employment creation. Lastly, the inadequacy of the effective demand, associated to restrictive fiscal or monetary policies applied by the governments to correct the inflation have meant an important effect on the employment.

## 2. – Basic features of the active population in the Galician Autonomus Community (GAC)

In order to get an approachment to the unemployment problem in the GAC, we will begin indicating the situation of certain variables in our survey frame. The population has been analyzed in working ages, activity rates, occupation and unemployment, population's distribution by sexes, age groups, level of studies, relationship with the main sustainer and activity branches.

The first necessary analyses have consisted on studying:

- In the first place the population in age of working in GAC, the used classification is the previously indicated. An important indicator in this section is the average of the schooling years of the population to obtain the level of formation of the human resources.
- In second place, the active population for age groups, level of finished studies and activity branches. This has enabled us to observe the great differences that have taken place along the last years in the level of population's schooling. Where one can observe that most of those that do not have studies appear as belonging to more aged groups of population.
- In third place, the occupied population, according to the already mentioned classification, shows an important aspect with respect to the occupied human resources and their distribution by branches of activity, which enables us to identify the most dynamic productive sectors.
- Lastly, the unemployed population, specific subject of this investigation. Inside this community only the unemployed who have worked before have been studied exclusively.

### 3.- Component Principal of Analysis

In this section the main components extracted from the employed population and unemployed with previous work experience for Spain and the GAC are studied. Our information matrix has been carried out for a sample that gathers on one hand 2219 persons representing the GAC active population considered in the Family Budget Survey 90/91 (FBS) and on the other hand 26312 people, who are the active population interviewed in the FBS for Spain. This corresponds to values: 02,03,04,05,06 and 07 of positions 15-16 of the FBS file 3. The analyzed variables have been those described below: oue: occupation in the last employment; age; nec: achieved or completed level of

studies; rsp: relationship with the main sustainer; sex, spue: professional situation in the last employment; studies: showing whether the individual studies or not.

The variable oue that will be shown as one of the most relevant in most of the performed analyses, presents a wide disintegration. It gathers 84 professions or occupations, this wide breakdown enables us to affirm that the FBS is a good database to analyze characteristics of the household members. It is certain that this survey has negative points when approaching a study of the work market, but these are annulled when the objective is to observe the occupational structures. The relationship between the studied variables and their positions in the FBS is the following one: oue positions 21-22; rsp : position 11; spue : position 23, nec: position 33, and studies: position 29.

Since the main component is expressed as lineal combination of the original variables, we shall have seven variables, for both cases of the active population and the unemployed with previous work experience.

$$Z_{hi}=u_{h1}X_{1i}+ u_{h2}X_{2i}+.....+u_{h7}X_{7i} \quad (1)$$

Where  $Z_h$  is the h-esimal component, for  $h=1,2,...,7$

For the conjunct of the sampleable observations this equation can be expressed by a matrix in the following way:

$$\begin{bmatrix} Z_{h1} \\ Z_{h2} \\ \dots \\ Z_{hn} \end{bmatrix} \begin{bmatrix} X_{11} & X_{21} & \dots & X_{71} \\ X_{12} & X_{22} & \dots & X_{72} \\ \dots & \dots & \dots & \dots \\ X_{1n} & X_{2n} & \dots & X_{7n} \end{bmatrix} \begin{bmatrix} U_{h1} \\ U_{h2} \\ \dots \\ U_{h7} \end{bmatrix} \quad (2)$$

For the GAC: employed  $n=1.899$ , unemployed with previous work experience.  $n=211$ . In the case of Spain: employed  $n=22.048$ , unemployed with previous work experience  $n=3.159$ . The variance of the factors is defined as:

$$\text{var}(Z_h) = \lambda_h = u_h' V u_h \quad (3)$$

The value  $\lambda_h$  is usually denominated h-esimal characteristic root. On resolving the equation of the pattern 7 characteristic roots will be obtained. The habitual computer programs, in this case the *SPSS* has been used, facilitate the exit of the *Factor Matrix*, and of the *Factor Score Coefficient Matrix*. Since the coefficients of the Factorial Matrix, also denominated factorial loads,  $\sigma_{jh}$ , can be defined as:

$$\sigma_{jh} = u_{hj} \sqrt{\lambda_h} = \frac{u_{hj} \lambda_h}{\sqrt{\lambda_h}} = \omega_{hj} \lambda_h \quad (4)$$

and having in mind that the elements of the *Factor Score Coefficient Matrix* are the coefficients  $\omega_{hj}$  :

$$\omega_{hj} = \frac{\sigma_{jh}}{\lambda_h} \quad (5)$$

We shall have that an analysis of both coefficients lead to the same conclusions by different routes. On the other hand, as:

$$\lambda_h = \sum_{j=1}^7 (\sigma_{jh})^2 \quad (6)$$

A higher number of conclusions are extracted on analyzing the factorial loads rather than on an analysis of the  $\omega_{hj}$ . Four analysis of main components have been carried out, two for GAC and two for Spain, differentiating between occupied population and stopped population with previous employment. The reason of having chosen a comparison GAC-Spain has had as objective the defence of the hypothesis that the state public policies attempting to eliminate the unemployment bags should be defined through the regional institutions, and these must prioritize the differentiating elements.

The following chart, Initial Statistics, shows the initial communalities and the characteristic roots o  $\lambda$  (*eigenvalue*) of the matrix of correlations. Since the total

variability of the data matrix can be explained starting from the seven exposed components, we have as a consequence that the initial communalities are equal to 1,00000 for all the variables subject to the study. Only those factors with  $\lambda > 1$  have been considered main components. This is, the criteria of the arithmetic mean with typified variables has been used. Which shows the existence of three main components.

#### Initial Statistics: Occupied GAC

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	1,00000	1	1,84828	26,4	26,4
nec	1,00000	2	1,42127	20,3	47,7
oue	1,00000	3	1,15540	16,5	63,2
rsp	1,00000	4	0,90269	12,9	76,1
sex	1,00000	5	0,75144	10,7	86,8
spue	1,00000	6	0,56480	8,1	94,9
studies	1,00000	7	0,35611	5,1	100

#### Factor Matrix: Occupied GAC

	$Z_1$	$Z_2$	$Z_3$
age	-,54596	-,62193	-,04248
nec	,75262	-,21494	-,37685
oue	-,60393	,66016	,02880
rsp	,34486	,43421	,65724
sex	,31890	-,38103	,68539
spue	,41951	,46765	-,32324
studies	-,47163	,00743	,06743

#### Final Statistics: Occupied GAC

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	0,68667	1	1,84828	26,4	26,4
nec	0,75465	2	1,42127	20,3	46,7
oue	0,82137	3	1,15540	16,5	63,2
rsp	0,73943				
sex	0,71663				
spue	0,49917				
studies	0,22704				

The first observable factor in Initial Statistics shows a value of  $\lambda = 1,84828$ , and it is itself able to explain 26,4% of the variability of the data matrix. Both following ones present characteristic roots of 1,42127 and 1,15540 and are able to explain 20,3% and 16,5% of the total variability of the system respectively. The following factors can explain 27,8% of the variability of the file, but will not be considered main components for being their  $\lambda < 1$ . The three selected factors explain 63,2% of the variability of the

analyzed file. In the factorial matrix note the factorial load ( $\sigma_{jh}$ ), (*factor matrix*), of the variables nec and oue with respect to the factor 1. The first variable ( $\sigma:0,75262$ ) shows the importance of the studies achieved or completed by the worker, and the second ( $\sigma: 0,60393$ ) relates this main component to the occupation type that the worker has. The variable oue not only acquires importance when relating it with the first factor, but it also maintains it when studying the factor 2 ( $\sigma: 0,66016$ ). However, another variable exists in the second main component with a high factorial load, age, with a value of 0,62193. When we apply the analysis of main components to spanish employed population the factors with a  $\lambda > 1$ , explain 63,7% of the variability of the system, whereas for the GAC analysis the explained percentage is 63,2%.

#### Initial Statistics: Spain Ocupados

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	1,00000	1	2,02043	28,9	28,9
nec	1,00000	2	1,40273	20,0	48,9
oue	1,00000	3	1,03490	14,8	63,7
rsp	1,00000	4	0,88314	12,6	76,3
sex	1,00000	5	0,79525	11,4	87,7
spue	1,00000	6	0,50379	7,2	94,9

#### Factor Matrix: Spain Ocupados

	$Z_1$	$Z_2$	$Z_3$
age	-0,61450	-0,54119	0,09785
nec	0,67142	-0,43447	-0,29954
oue	-0,58211	0,66599	-0,07781
rsp	0,55578	0,53481	0,34608
sex	0,51517	-0,05583	0,64763
spue	0,27387	0,42571	-0,48722
studies	-0,45150	0,08468	0,39111

#### Final Statistics: Spain Ocupados

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	0,68007	1	2,02043	28,9	28,9
nec	0,72930	2	1,40273	20,0	48,9
oue	0,78845	3	1,03490	14,8	63,7
rsp	0,71468				
sex	0,68794				
spue	0,49362				
studies	0,36399				

The first main component for the case of the occupied Spaniards receives its maximum  $\sigma$  of the variables nec ( $\sigma: 0,67142$ ), age ( $\sigma: -,61450$ ) y oue ( $\sigma: -,58211$ ). These values of



$\sigma$  are similar to those observed for the occupied of GAC, with the exception that the age reaches slightly higher values and the occupation in the last employment lower in the case of Spain. The highest factorial loads observed in the second component, in an identical way to the case of GAC, are given in the occupation in the last employment (oue) and in the age. The system of data for Spain provides a third factor not observed in the Galician case. This factor owes its variance mainly to the high factorial load provided by the variable sex.

The results obtained in GAC and Spain for the cases of the stopped people with a previous employment and the stopped searching for their first employment or without previous employment. Again we shall observe important likeness in the factors extracted from both analyses. Our objective in this work, as previously mentioned, is to point out the important observed similarities, since this helps us to reaffirm our hypothesis that the unemployment policies centered in the apparent causes can reach an important degree of failure for ignoring the autonomous occupational structures.

The data system of the file of stopped people who have worked previously, case of GAC, present two factors with a  $\lambda > 1$ . The explained variability of the system is not very high in the case of these two components, 52%. Nevertheless, it is necessary to observe that the third factor has a  $\lambda$  very near to the unit, 0,97270. Should this value have been considered main component the percentage of explained variability would ascend up to a 65,9%. In the case of Spain the third factor possesses a  $\lambda > 1$ , which provides a third component that will enable us to reach a level of explanation of 63,3%.

The level of studies, his profession and the age of the unoccupied that have worked previously determine in great measure the value of 8 observed in the first main component. From among these three variables we highlight the level of studies, since it is the one that reaches a greater factorial load ( $\sigma:0,79413$ ).

The professional situation in the last employment, this is, whether the worker was before an employer, manager without salaried, member of a cooperative, etc. enters eagerly the main component analysis for first time. This variable that had a scarce importance in a system of occupied people acquires now a higher relevance. This can be observed by its factorial load in the second component ( $\sigma:0,57753$ ). In the case of Spain, as it will be seen below, it even reaches a greater relevance.

#### Initial Statistics: GAC Stopped With Previous Employment

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	1,00000	1	2,37921	34	34
studies	1,00000	2	1,25784	18	52
nec	1,00000	3	0,97270	13,9	65,9
oue	1,00000	4	0,93794	13,4	79,3
rsp	1,00000	5	0,58820	8,4	87,7
sex	1,00000	6	0,49376	7,1	94,8
spue	1,00000	7	0,37036	5,3	100

#### Factor Matrix: GAC Stopped With Previous Employment

	$Z_1$	$Z_2$
age	0,63865	-0,50525
studies	0,42755	-0,15152
nec	-0,79413	-0,05972
oue	0,77955	0,36479
rsp	-0,43959	0,62518
sex	-0,54346	-0,34436
spue	0,24819	0,57753

#### Final Statistics: GAC Stopped With Previous Employment

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	0,66315	1	2,37921	34	34
studies	0,20575	2	1,25784	18	52
nec	0,63421				
oue	0,74077				
rsp	0,58409				
sex	0,41394				
spue	0,39513				

Another variable that acquires weight when analyzing the unoccupied population with previous employment is the relationship with the main supporter, its  $\sigma$  is 0,62518 with respect to the second component.

The obtained empiric results adjust to the orthodox theoretical positions of the unemployment. In few occasions it is questioned that the profession or occupation, the level of studies and the age are significant variables influencing on the probability of finding employment in an important degree.

On analyzing the situation of the unemployed with previous work experience in Spain we obtain  $\lambda > 1$  for three main components, and a percentage of variability explained by these components of 63,3%. The first of the main components is determined mainly by the same variables as in the Galician case; this is, achieved level of studies ( $\sigma$ :-0,74614), occupation in the last employment ( $\sigma$ :-,67456) and age ( $\sigma$ :0,63072). In the second main component it highlights the weight of the variable *rsp* ( $\sigma$ :0,62518 and in a smaller measure of the variable *age* ( $\sigma$ :-0,57397) and *oue* ( $\sigma$ :0,42523). The variable professional situation in last employment (*spue*) that acquired a great relevance in the second component in the Galician case transfers its importance to the third component in the Spanish case, where it reaches  $\sigma$  de 0,79235. Therefore we observe that for the cases of the GAC and Spain the relationship with the main sustainer and the situation in the last employment are variables that reach a certain protagonism only when we are in the field of the unemployed with previous work experience. Furtherly and by means of an analysis of frequencies we will try to deepen more in these variables, fundamentally in *rsp*.

#### Initial Statistics: Spain Stopped With Previous Employment

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	1,00000	1	2,19523	31,4	31,4
nec	1,00000	2	1,20850	17,3	48,6
oue	1,00000	3	1,02488	14,6	63,3
rsp	1,00000	4	0,90617	12,9	76,2
sex	1,00000	5	0,68500	9,8	86
spue	1,00000	6	0,57487	8,2	94,2
studies	1,00000	7	0,40536	5,8	100

#### Factor Matrix: Stopped With Previous Employment

	$Z_1$	$Z_2$	$Z_3$
age	0,63072	-0,57397	0,10735
nec	-0,74614	-0,17732	-0,14783
oue	0,67456	0,42523	-0,18529
rsp	-0,50719	0,66170	-0,11996
sex	-0,51321	-0,21431	0,53469
spue	0,09371	0,33047	0,79235
studies	0,50622	0,27166	0,17048

#### Final Statistics: Stopped With Previous Employment

Variable	Communality	$Z_h$	$\lambda_h$	Pct of Var	Cum Pct
age	0,73877	1	2,19523	31,4	31,4
nec	0,61003	2	1,20850	17,3	48,6
oue	0,67018	3	1,02488	14,6	63,3
rsp	0,70948				
sex	0,59521				
spue	0,74581				
studies	0,35912				

#### 4.- Characteristics of the active population

The above performed analyses lead us to go farther into the variables: occupation in the last employment (oue), achieved level of studies (nec) and relationship with the main sustainer (rsp).

The study of the occupations of the active population that is working or has worked previously will center an important part of the analysis in this section. It is presented in table 1 the distribution of the occupied population and PCEA according to the formative levels required to accomplish certain occupations. An aggregation of the occupations was carried out taking into consideration the level of studies needed for accessing to the different jobs. A comparison between the occupational structure of the GCA and Spain

does not show important differences. Nevertheless, if we go farther into it we observe that in the GAC an important part of the 85,8% of unemployed with previous work experience is sustained mainly by four professions or occupations.

In view of the data obtained for PCEA it is observed that the labour expelled from an economic activity tends to be considered as unemployed in this activity. These unemployed workers search for a job in their former occupations, regardless whether the sector in which their professions are included may be dynamic or not.

Tabla1: Distribution of the Employed and PCEA by level of formation linked to their occupation<sup>1</sup>.

Description	GAC Employed	GAC PCEA	Spain Employed	Spain PCEA
Higher Formation	18,4%	7,1%	19,2%	6,1%
Specialized Formation	10,4%	7,1%	10,6%	6,4%
Non Specialized Formation	71,1%	85,8%	70,2%	87,4%
	100,0%	100,0%	100,0%	100,0%

In table 2, it is shown the relative weight of the different employments inside the analyzed active population's segments. Should we center our attention in codes 39 (administrative and similar services), 45 (trade clerks), 53 (cooks, waiters), 95 (workers of the construction) we shall verify that these four professions agglutinate in the GAC 41,70% of the PCEA whereas in Spain this percentage decreases to 31,21%. This difference is not observed when we compare the employed population because in this case the relative weights almost coincide (GCA 20,49% and Spain 22,03%).

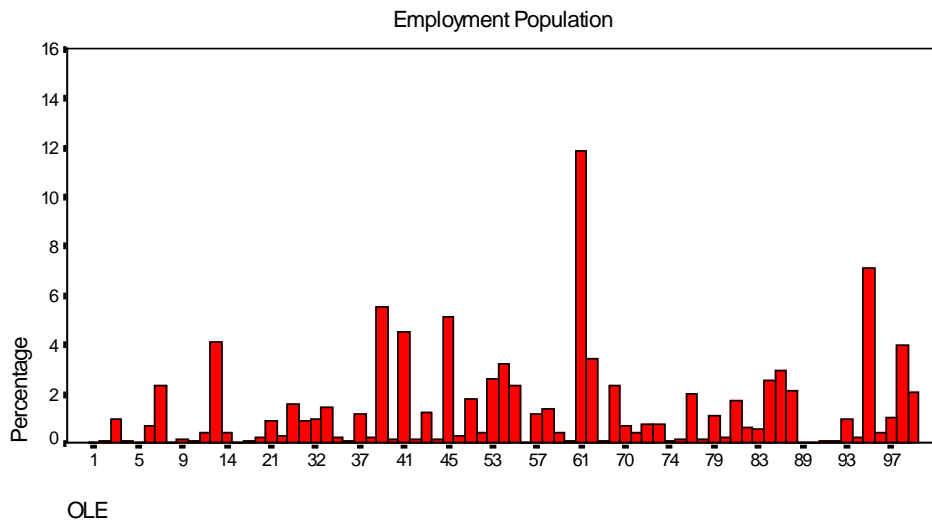
Tabla 2

Ocupación	Codes	GAC	GAC	Spain	Spain
Descripción	FBS	Employed	Unemployed	Employed	Unemployed
Techn.Architects and similar.	3	1	0,9	1	0,3
Doctors and similar	6	0,7	0	1,1	0,4
Nurses and similar	7	2,3	1,9	2,4	1,1
Lawyers, attorneys and similar	12	0,5	0	0,4	0,1
Professors	13	4,1	1,4	4,4	1,4
Sculptors and painters	16	0,0	0,5	0,2	0,2
Professionals NCOR	19	0,0	0,9	0,5	0,4
Directors and managers	21	0,9	0,0	0,7	0,1
Armed Forces	25	1,6	0,0	1,1	0,1
Offices Bosses	31	0,9	0,0	1,2	0,2
Typists and clerical work	32	1,0	0,0	0,9	0,6
Aux. Accountants	33	1,5	2,4	1,9	0,9
Messengers, Postmen and sim.	37	1,2	0,9	0,9	0,7
Administ. Services .and sim.	39	5,5	7,6	7,0	5,3
Employers	41	4,5	0,5	3,6	0,4
Sale executives	43	1,3	0,9	1,2	0,9
Trade Clerks	45	5,2	11,8	5,9	6,7
Sellers NCOR	49	0,3	0,5	0,7	0,4
Innkeepers	51	1,8	0,5	1,1	0,1
Cooks, waiters	53	2,6	8,1	2,9	5,5
Service personnel	54	3,3	1,9	2,5	2,4
Porters	55	2,4	3,8	3,3	3,6
Hairdressers and sim	57	1,2	0,5	0,8	0,6
Safety workers	58	1,4	1,4	1,7	0,7
Serv. Workers	59	0,5	1,4	0,7	1,0
Agrarian Autonomous Employers	61	11,9	0,0	5,4	0,4
Agrarian workers	62	3,4	0,5	4,8	13,1
Forest workers	63	0,1	0,0	0,2	0,5
Fishermen	64	2,3	4,7	0,5	0,9
Workshop Bosses	70	0,7	0,5	0,9	0,3
Steel factory work	72	0,8	0,5	0,8	0,6
Wood and paper work	73	0,8	0,9	0,5	0,5
Trab.					
Textile and sim	75	0,2	0,9	0,6	1,3
Agroindustry	77	2,0	4,7	2,3	2,8
Clothmakers	79	1,1	3,3	1,6	2,4
Leather and shoemakers and sim.	80	0,2	1,4	0,6	1,2
Furniture workers	81	1,7	1,4	1,6	1,1
Forging work. and sim	83	0,6	0,0	1,4	0,8
Mechanics and sim	84	2,6	0,9	3,1	1,1

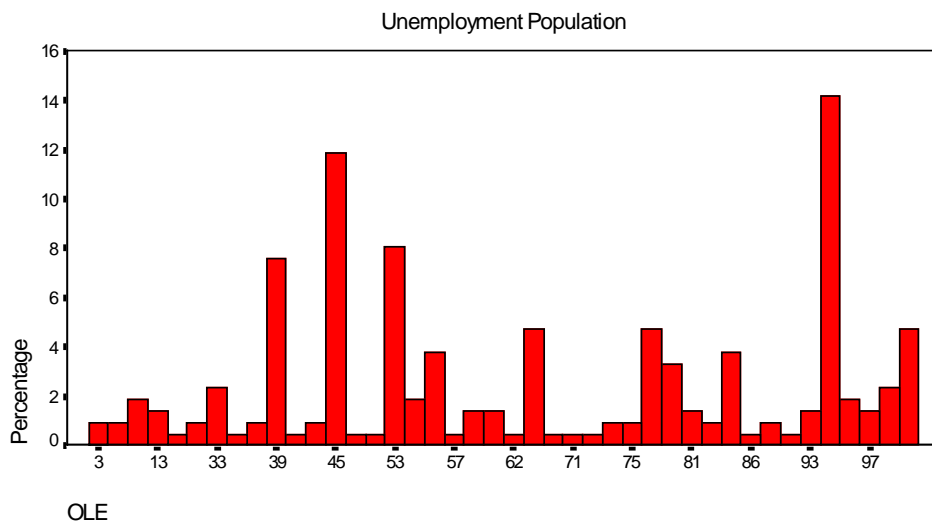
Electricians and sim	85	2,9	3,8	2,6	1,7
Plumbers and sim	87	2,2	0,0	1,7	1,1
Wall Painters	93	1,0	1,4	0,8	1,0
Construction workers	95	7,1	14,2	6,2	9,9
Loaders and unloaders	97	1,1	1,4	1,3	1,4
Drivers and similar.	98	4,0	2,4	4,2	2,2
Unskilled workers	99	2,1	4,7	2,5	4,9
Total		92,8	94,5	89,6	82,6
Other		7,2	5,5	10,4	17,4

Those occupations reaching a value equal or superior to 0,5% in some of the occupations have been selected.

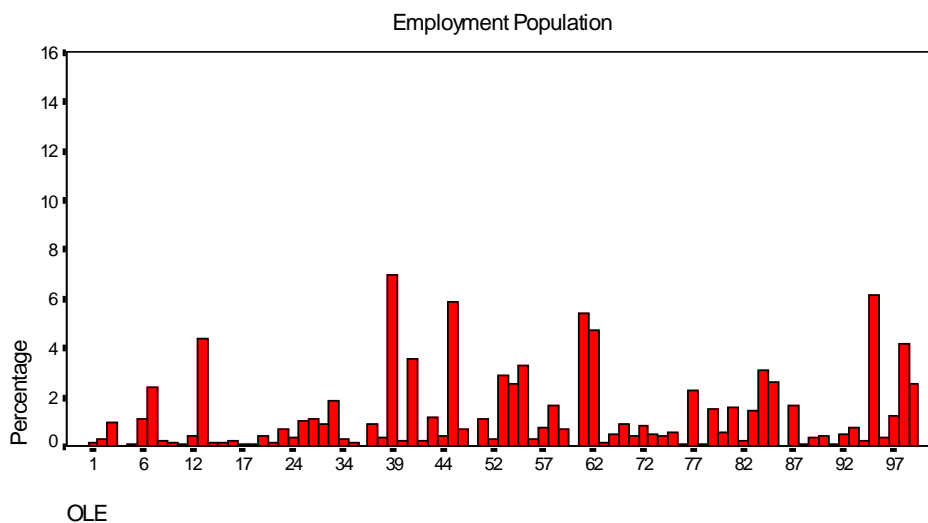
### GAC: Occupation Last Employment



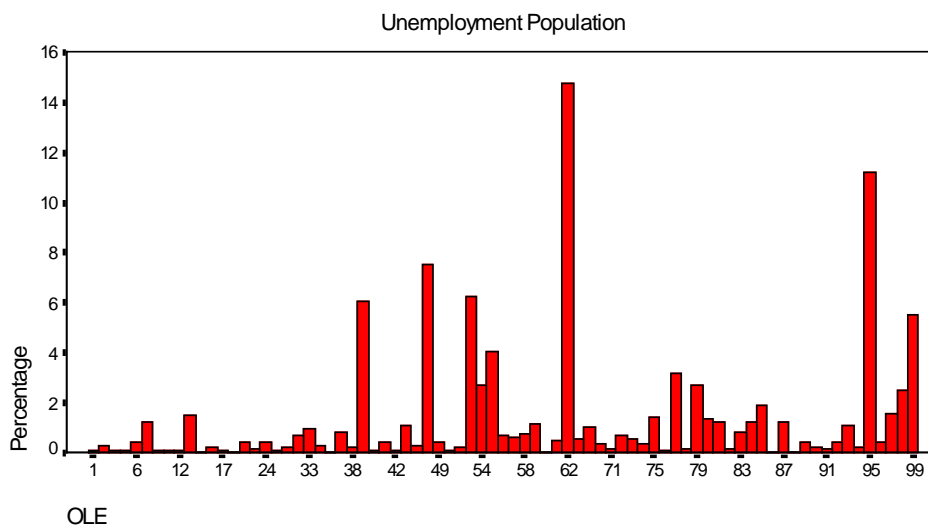
### GAC: Occupation Last Employment



### Spain: Occupation Last Employment.



### Spain: Occupation Last Employment



As it can be observed the highest unemployment percentages correspond to occupations with a scarce preparation degree, this aggravates the problem of unemployment. Their profile shows a scarce training and capacity for the reconversion to jobs with a greater demand of work.



Regarding the schooling level of the Spanish active population, it is necessary to point out that it is excessively low. The active population's 67,4% only reaches the level of primary studies for the case of Spain and 71,5% in the GAC.

The fact that the galician employed population has an inferior formative level than the Spanish one has an explanatory element in the variable age. The Spanish workers observed in the FBS have an average age of 38,28 years, whereas galician workers have 40,33 .

Table 2

Studies Level Description	Code FBS	Actives	
		GAC	Spain
Illiterate	0	0,8%	1,3%
Without studies	1	13,5%	10,3%
Elementary School	2	35,5%	31,2%
Junior High School or equivalent	3	21,7%	24,6%
Bachelor's degree or equivalent and course of access to university	4-5	9,6%	10,6%
Vocational Training 1º and Vocational Training 2º	6-7	8,5%	9,7%
Middle degree career or equivalent, higher education or equivalent	8-9	10,3%	12,4%
		100,0%	100,0%

A differentiating fact between the GAC and Spain is that the PCEA concentrates on professions with low educational level. When analyzing the disaggregated data of the active population included in codes 39,45,53 and 95, it is observed that the educational levels of this subsample are similar to those reached by the rest of the Galician active population. As it can be seen in the following graph the population's percentage that does not surpass the primary studies is 69,5% in the GAC.

On analyzing the variable *rsp* it is perceived that the unemployment does not affect all the household members with the same intensity. When observing the occupation and unemployment rates and their relationship with the family head it is confirmed that the unemployment discriminates by prejudicing and children. However there are no significant differences between the GAC and Spain; except for code 6 representing another relationship, the unemployment reaches higher values in the GAC.

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Table 4

RSP	Code	Occupied		Stopped	
Description	FBS	GAC	Spain	GAC	Spain
Main sustainer	1	52,8	56	23,8	23,2
Wife	2	18,5	14,3	20,9	17,9
Son of the Main sustainer and /or couple	3	20,5	25,6	43,4	52,8
Ascendants	4-5	1,1	0,3	0,6	0,6
Another Relationship	6	6,7	3,2	11,3	5,4
No relationship	7	0,4	0,5	0,0	0,1
		100	100	100	100

This code groups mainly the young working-age population. Given the characteristics of the Galician society, we interpret this population as emigrants' children cohabiting with relatives of 2nd. degree and who therefore could be assimilated in this analysis to the children of the family head.

## Conclusions

□ An analysis of main components shows that the components extracted from the matrix of data are similar for both cases of the GAC and Spain. This situation suggests that the public policies of labour reinsertion should have present in its design the unemployed previous job and his level of studies.

□ The level of the Galician population's schooling is lower than that of the Spanish one. Both are excessively low, 67,4% of the active population only reaches the level of primary studies in Spain while this percentage in Galicia is 71,5%. This situation improves if we observe both Galician and Spanish youth. However it is necessary that the policies reinserting unemployed with previous work experience should take into consideration the variable level of studies.

□ Both for spanish and galician cases the former occupation of the unemployed is manifested as the main analyzed variable. The analyses of frequencies show that the occupational structures of the unemployed present important differences between the GAC and Spain. While in Spain it does not exist a clear group of occupations agglutinating most of unemployed, in Galicia four occupations concentrate 41,70%.

□ The existence of different occupational structures inside the unemployed active population that has worked previously enables us to affirm that the public policies of labour reinsertion must adequate to the regional level where the differentiating elements are to be taken into account.

□ The unemployed with previous work experience usually attempt the reinsertion in the work market through their previous occupation since this is where a higher rate of human capital is present due to the fact that the acquired experience can be added to it. Should the public policies not take into account this reality it will be strengthened the existence of unemployment bags which will be inelastic to the economic growth.

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## References

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<sup>1</sup> Este cuadro se ha extraído de la FBS.

Las ocupaciones que consideramos requieren una formación superior corresponden con los códigos: 1,2,3,4,5,6,7,8,9,11,12,13,14,15,16,17,18,19,20,21,25,31,40,41,44.

Las ocupaciones que consideramos requieren una formación especializada corresponden con los códigos: 34,35,36,37,38,42,50,60,70,84,85,86,87,88,94.

Las ocupaciones que consideramos requieren una formación no especializada corresponden con los códigos: 32,33,39,43,45,49,51,52,53,54,55,56,57,58,59,61,62,63,64,71,72,73,74,75,76,77,78, 79,80,81,82,83,89,90,91,92,93,95,96,97,98,99.